

## Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 FEA-02

OMB-01 SWF-02 DRC-01 /194 W  
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P R 291500Z MAY 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 5048

USMISSION EC BRUSSELS PRIORITY

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION GENEVA

USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: EAGR, ETRD, GATT, EEC, IT

SUBJECT: ITALIAN PRIOR IMPORT DEPOSIT SYSTEM

REF: (A) ROME 7069

(B) ROME 6627

1. ROME MEDIA REPORT EC COMMISSION PREPARING "PACKAGE" WHICH  
WILL PERMIT GOI REMOVE PRIOR IMPORT DEPOSITS ON SOME, IF NOT  
ALL, AGRICULTURAL PRODUCTS IMPORTED FROM OTHER EC MEMBER  
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COUNTRIES. APPARENTLY, PRIOR IMPORT DEPOSITS WOULD REMAIN IN

FORCE TOWARDS THIRD COUNTRIES, ALTHOUGH THIS POINT NOT ABSOLUTELY CLEAR.

2. COMMISSION "PACKAGE" ALLEGEDLY INCLUDES: (A) FROM JUNE 1, "LIBERALIZATION" OF IMPORTS OF FEEDER CALVES; (B) FROM JUNE 20, "LIBERALIZATION" OF ALL IMPORTS OF PRODUCTS SUBJECT TO CAP; (C) DEVALUATION OF GREEN LIRA FURTHER TEN (10) PERCENT EFFECTIVE JUNE 20, BUT SUCH DEVALUATION WILL NOT RPT NOT BE APPLIED TO DIRECT PAYMENTS OF OLIVE OIL AND DURUM WHEAT; (D) TOTAL ABOLITION OFR BOVINE MEAT OF "COMPENSATORY PAYMENTS" BASED ON DEVLATUATION OF THE LIRE, BUT NOT THOSE WHICH RELFECT REVALUATION OF THE DM, AT LEASE UNTIL JANUARY 31, 1975; (E) FOR THREE (3) MONTHS FROM JUNE 20, A "CORRECTIVE CHARGE" OF 2850 LIRE/QUNITAL (4 UA PER 100 KILOS) WOULD BE APPLIED TO LIVE ADULT BOVINE ANIMALS IMPORTED INTO ITALY.

3. ABOVE "PACKAGE" WILL REPORTEDLY BE DISCUSSED AT JUNE 4 EC COUNCIL MEETING IN LUXEMBOURG.

4. GOI COMMITMENT TO ITALIAN BEEF PRODUCERS IS SO STRONG (BASED ON AGRICULTURAL MERITS, ECONOMIC SITUATION AND POLITICAL FACTORS) THAT EMBASSY CANNOT SEE HOW GOI COULD ACCEPT BEING DUMPING GROUND FOR EXCESS LIEVESTOCK AND MEAT PRODUCTS FROM OTHER EC COUNTRIES. IN MAY 25 MEETING AT PADUA WITH FARM LEADERS, FOR EXAMPLE, MIN AG BISAGLIA AGAIN STRESSED GOI FIRM INTENTION PROTECT ITALIAN BEEF PRODUCERS FROM "UNFAIR" COMPETITION. GOI REPS HAVE ASSURED EMBASSY THAT ITALY WILL CONTINUE APPLY PRIOR IMPORT DEPOSITS IN NONDISCRIMINATORY MANNER (REF B), BUT WE ALSO AWARE OF TREMENDOUS PRESSURE FROM OTHER EC MEMBERS AND COMMISSION TO "RESTORE" CAP.

5. EMBASSY WOULD APPRECIATE WHATEVER INFO IS AVAILABLE FROM BRUSSELS ON NATURE OF COMMISSION "PACKAGE" AND WHETHER IT IS INTENDED THAT PRIOR IMPORT DEPOSITS WOULD REMAIN IN EFFECT TOWARDS THIRD COUNTRIES IF "PACKAGE" ADOPTED BY EC COUNCIL. EMBASSY WOULD ALSO APPRECIATE GUIDANCE FROM DEPARTMENT AS TO WHAT, IF ANY , FURTHER APPROACH SHOULD BE MADE TO GOI (OR ELSEWHERE) TO FORESTALL POSSIBLE DISCRIMINATORY APPLICATION OF PRIOR IMPORT DEPOSIT SYSTEM.VOLPE

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**TAGS:** EAGR, ETRD, IT, GATT, EEC  
**To:** STATE EC BRUSSELS  
**Type:** TE  
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